DIRECT TESTIMONY OF

KEVIN R. KOCHEMS

ON BEHALF OF

DOMINION ENERGY OF SOUTH CAROLINA

DOCKET NO. 2020-125-E

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I. INTRODUCTION AND WITNESS QUALIFICATIONS

Q. PLEASE STATE YOUR FULL NAME AND BUSINESS ADDRESS.

A. My name is Kevin R. Kochems. My business address is 400 Otarre Parkway, Cayce, South Carolina.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Dominion Energy Southeast Services, Inc. ("DESS") as Manager of Regulatory Accounting for Dominion Energy South Carolina, Inc. ("DESC" or the "Company").

Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.

A. I am a graduate of Canisius College, with a Bachelor of Science Degree in Accounting. In 2002, I joined SCANA Corporation's ("SCANA") Internal Audit Department. In 2006, I accepted an accounting position with South Carolina Electric & Gas Company's New Nuclear Development ("NND") Project. In 2011, I was promoted to Manager of Nuclear Financial Administration. Following the Company's decision to abandon the NND Project, I became Manager for Regulatory Accounting in the Rate Department at SCANA. I continue to hold that position with DESS.

Q. HAVE YOU EVER TESTIFIED BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA ("COMMISSION") IN THE PAST?

A. Yes, I have testified before this Commission twice before.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony has two principal purposes:

Accounting and Pro Forma Adjustments – I will discuss certain accounting and pro forma adjustments contained in the exhibits in support of the Company's Application. Company Witness Coffer will discuss the remaining pro forma adjustments contained in those exhibits. Company Witness Coffer will also sponsor the exhibits attached in support of the Company's Application.

Cost of Service – I present the Company's fully allocated cost of service study. This study allocates responsibility for the revenues required to operate the electric system among the various customer classes. It is based on engineering, operational, and financial data related to the test year in this case, i.e., January 1, 2019, to December 31, 2019.

III. ACCOUNTING AND PRO FORMA ADJUSTMENTS

Q. PLEASE LIST THE ACCOUNTING AND PRO FORMA ADJUSTMENTS THAT YOU WILL DISCUSS IN THIS PREFILED TESTIMONY.

A. The accounting and pro forma adjustments that I will discuss are identified below. The adjustment numbers coincide with the numbers on pages 3 and 4 of Exhibit No. ___ (KCC-2) and pages 3 and 4 of Exhibit C-2 of the Application.

No.	Adjustment Description	Pg.
2	Incentive Compensation Adjustment	6
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In all cases, the entries reflect amounts related to total electric operations, and tax and working cash, and other adjustments associated with these pro forma adjustments have been made.

As Company Witness Coffer testifies, the pro forma adjustments all follow established rate making and accounting policies as recognized by this Commission and are necessary to create a proper determination and calculation of DESC's rate base, revenues and expenses for rate making purposes. The Commission historically has permitted known and measurable changes in rate base items, revenues and expenses to be made as pro forma adjustments to historical Test Year information for purposes of rate adjustment proceedings.

Q. PLEASE DESCRIBE THE ADJUSTMENTS ABOUT WHICH YOU ARE TESTIFYING.

A. **Adjustment No. 2, Incentive Compensation Adjustment**. As discussed in the pre-filed testimony of Company Witness Elbert, this adjustment removes the amount of incentive compensation and related payroll taxes charged as expense in the Test Year that exceeds 100% of the amounts targeted pursuant to the Company's incentive compensation plan. The Company is eliminating expenses for any amounts paid in excess of 100% of the targeted amount on the basis that customers should not pay for amounts accrued above and beyond the adopted target even though the Company's financial position benefits from the performance incentivized through the incentive plan. The effect of this adjustment is to decrease Test Year Operations and Maintenance ("O&M") expense by $1,253,611, and decrease other taxes (payroll) by $108,683.

Adjustment No. 9, Capital Cost Rider Adjustment. Pursuant to Commission Order No. 2018-804, a Capital Cost Rider ("CCR") was established to recover the allowed capital costs associated with the abandoned nuclear plants. The recovery of those capital costs occurs through the CCR and is kept separate from the remainder of DESC's electric rate components. The purpose of this adjustment is to adjust the Test Year for amounts associated with the CCR in order to keep those amounts separate from base retail electric rates. The pro forma adjustment removes from the Test Year amortization expense of $126,871,525, increases revenue by $624,525,738, and increases gross receipts taxes by $3,115,759. This adjustment also removes from the Test Year depreciation expense of $53,023 tied to settlements and removes from the Company's rate base certain property totaling $2,686,097 and its associated accumulated depreciation of $1,251,835.

Adjustment No. 10, Remove Amounts Associated with Demand Side Management ("DSM"). This adjustment removes the revenues and amortization expense associated with the Company's DSM programs that are recovered through a separate rate rider authorized by Commission Order No. 2010-472. It should be noted that the amounts removed from the Test Year through this adjustment are not the same as the lost revenues that Company Witness Rooks explains in his testimony. This pro forma adjustment decreases revenues by $31,721,565, other taxes by $158,259, and O&M expense by $13,318,465.

Adjustment No. 12, Adjust Fuel Inventory. This pro forma adjustment decreases the Company's actual coal inventory balance at the end of the test period to conform to the targeted policy level of inventory the Company expects to maintain going forward. This adjustment reduces the Company's rate base in the amount of $3,134,360 to reflect the targeted fuel inventory decrease.

<u>Adjustment No. 16, Voluntary Retirement Program ("VRP")</u>. As discussed in the pre-filed testimony of Company Witness Long, the Company instituted the VRP in early 2019 for certain qualifying employees. There remain some employees that have yet to retire and are reflected in Adjustment No. 1 for annualized wages. This entry decreases Test Year compensation expense by $3,384,493 and other taxes (payroll) expense by $207,817.

<u>Adjustment No. 17, Dominion Energy Services ("DES") Expense</u>. As explained by Company Witness Long, following the merger between Dominion Energy, Inc. and SCANA there has been an effort to achieve cost savings through synergies. Overall, the merger has resulted in reduced costs to customers of DESC through the implementation and realization of these synergies. This process has changed the way costs occur, with certain costs now originating on DES books and being charged to DESC. The process of charging these costs to DESC began in early 2019, and the April 2020 monthly charge amounts reflect the level of costs currently charged to DESC by DES. Consequently, it is necessary to adjust the Test Year expenses to reflect the current services charged to DESC on an annual basis. This adjustment increases Test Year O&M expense by $9,163,558.

<u>Adjustment No. 18, Synergy Savings</u>. As discussed in the pre-filed testimony of Company Witness Long, the Company's future expenses will be reduced through savings resulting from the combination of certain features and functions with its parent company, DEI. A substantial amount of these savings is already reflected in the Test Year results. Moreover, this amount only includes certain non-labor savings, as labor costs and savings are addressed in other pro forma adjustments. This adjustment recognizes the current non-labor related savings not included in the Test Year by further decreasing O&M expense in the amount of $791,587.

Adjustment No. 24, Deferred Transmission. As directed in Commission Order No. 2018-804, the Company has deferred amounts for depreciation, property tax, and associated carrying costs for certain transmission assets placed into service in 2017, 2018, and 2019. The Company proposes to include these deferred costs in its rate base and amortize the amount over a 25-year period, and to include the previously deferred depreciation and property tax amounts in the Test Year. Accordingly, this adjustment increases rate base in the amount of $47,604,105 and increases Test Year depreciation expense by the annual depreciation amount of $2,642,911 per year. This adjustment also increases Test Year expenses for the previously deferred depreciation expense in the amount of $10,957,976 and property tax expense in the amount of $10,964,112.

Adjustment No. 26, Tax Reform Refund. Pursuant to Commission Order No. 2018-804, DESC refunded to customers the amounts collected from customers after the TCJA was passed, but before the decrement rate rider was adopted. As required, the amount refunded to customers was based on their estimated usage. The Company was required to refund approximately $100 million to customers pursuant to Commission Order No. 2018-804, which it did through one-time credits to customers' accounts on their bill for the February 2019 billing cycle. However, because the refund was based on volumetric usage, a balance of $1,466,880 remained to be refunded after the credits were applied to all billing cycles. The Company has recorded this balance as a regulatory liability pending Commission authorization on how best to provide its benefits to customers. Further, the Company has been accruing carrying costs on this balance for the benefit of customers. The Company is proposing to amortize this regulatory liability, for the benefit of customers, over a three-year period. This pro forma adjustment decreases test year amortization expense by $488,960 and reduces rate base by $733,929.

Adjustment No. 33, Facility Charge. As discussed in the pre-filed testimony of Company Witness Rooks, the Company is updating its Facility Charge, going from 2.25% to 1.75%. This adjustment is being made to bring the Facility Charge to customers in line with current costs. This adjustment decreases revenue in the Test Year by $501,586.

Adjustment No. 36, Advanced Metering Infrastructure ("AMI"). As discussed in the direct filed testimony of Company Witness Blevins, the Company's deployment of smart electric meters, or AMI, currently is underway and is expected to be completed in early 2023. Commission Order No. 2019-622 directed the Company to defer as a regulatory asset the depreciation, property tax, and associated carrying costs related to the installation of AMI. This adjustment adds the deferred regulatory asset of $536,773 to rate base and amortizes it over five years, which increases Test Year amortization expense by $178,805. This pro forma adjustment also incorporates into the Test Year the previously deferred amounts for depreciation and amortization expense of $2,155,367 and for property tax expense of $592,326. Finally, this adjustment increases plant in service by $18,726,577 for expected project spending and also increases accumulated depreciation by $2,155,637 to reflect one year of depreciation expense.

<u>Adjustment No. 39, PSC Support Fees</u>. The purpose of this adjustment is to recognize the known and measurable change in the PSC's Utility Assessment. This annual assessment presently is expected to be $1,806,112 lower in future years than the amount reflected in the Test Year. This pro forma adjustment reduces Test Year taxes other than income by $1,806,112.

<u>Adjustment No. 40, Projected Capital Spend</u>. As agreed with the Office of Regulatory Staff ("ORS") in a letter dated June 18, 2020, the Company will include in this filing spending through September 2020. This date was agreed to because it provided the ORS ample time to review the costs. The purpose of this adjustment is to estimate that spending, which will be trued-up to the actual amount spent once known. This adjustment increases various rate base items by $142,331,083.

<u>Adjustment No. 41, Tax Effect of Annualized Interest</u>. This pro forma entry adjusts income taxes due to the changes to interest expense associated with any rate base pro forma adjustments. This adjustment increases Test Year interest expense by $6,542,507, resulting in a pro forma decrease in income tax expense of $1,631,701.

IV. THE COST OF SERVICE STUDY

A. BACKGROUND

Q. WHAT IS A COST OF SERVICE STUDY?

A. A cost of service study determines the Company's costs of serving various classes of customers (i.e., residential, small general service, medium general service, large general service, and lighting). Different classes of customers place different requirements on the electric system. Those differing requirements include size of load, usage patterns, service voltages, metering types, costs of reading meters, complexity of billing, etc.

A key principle in regulation of utility rates is that the rates for individual classes of customers should reasonably reflect the cost of serving customers in that class. Accordingly, the principle underlying the allocations of plant investment and expenses in a cost of service study is cost causation. The allocation methodologies should reflect the basis of what caused the cost to be incurred.

The cost of service study used in preparing the rates in this proceeding follows principles and methodologies that have been accepted by this Commission as appropriate for setting the Company's rates for at least the past 38 years. This study is based on standard rate-making methodologies recognized throughout the industry.

Q. WHY DO YOU REFER TO YOUR STUDY AS A FULLY ALLOCATED COST OF SERVICE STUDY?

A. To be a proper basis for setting rates in a general rate proceeding, the cost of service study must allocate all the costs that comprise the utility's revenue requirement among the various customer classes. If any costs are overlooked or omitted, those costs would not be recovered in rates, and the rates would not allow the utility a reasonable opportunity to recover its costs, including the cost of capital allowed by the Commission.

Q. WHAT IS THE SOURCE OF THE COST COMPONENTS THAT ARE REFLECTED IN YOUR COST OF SERVICE STUDY?

A. The cost of service study is based on the cost components set forth in the Application and the testimony of the Company's witnesses. These components are comprised of revenue and expense and rate base items and are based on test year data including the proposed pro forma adjustments discussed here, in Company Witness Coffer's testimony, and in the cost of capital testimony by the Company's other witnesses.

Q. WOULD CHANGES IN RATE BASE AND RETURN COMPONENTS AND OTHER DATA INVALIDATE YOUR STUDY?

A. Not at all. The cost of service study provides an analytical and factual basis for allocating the Company's costs based on the engineering and operating characteristics of the electric system, the attributes of the various customer classes, and the demands placed on the system by customers. Those characteristics and demands are not dependent on the overall amount of costs to be allocated in establishing rates. However, because specific elements of cost are allocated differently in the study, care is needed to adjust the results of the study if elements of cost are changed.

Q. WHAT ARE THE STEPS IN PREPARING A COST OF SERVICE STUDY?

A. There are three principal steps in preparing a cost of service study:

First, we functionalize the rate base and return components that comprise the revenue requirement.

Second, we classify return and rate base components according to the causation of those costs – either demand, energy, or customer-related.

Third, after the above steps are completed, the cost components related to each function are allocated to the appropriate class of customers reflected in the manner in which the costs are incurred.

B. <u>FUNCTIONALIZATION OF COSTS</u>

Q. PLEASE EXPLAIN HOW YOU FUNCTIONALIZE COSTS.

A. The Company records its costs using the Uniform System of Accounts of the Federal Energy Regulatory Commission. These accounts separate the Company's plant and operating costs among the key functions of an integrated electric utility, the primary categories of which are production (generation), transmission, and distribution.

C. CLASSIFICATION OF RETURN AND RATE BASE COST COMPONENTS

Q. PLEASE EXPLAIN THE CLASSIFICATION OF COSTS.

A. In the next step of the process, the classification of costs, we place costs into groups according to cost-causing characteristics related to those costs. These cost-causing characteristics are defined as demand-related characteristics, energy-related characteristics, and customer-related characteristics.

Q. PLEASE DEFINE DEMAND-RELATED COSTS.

A. Demand costs are classified as costs which were incurred in proportion to the kilowatts of demand imposed on the various segments of the system by our customers. Costs which are demand-related include the major portion of the Company's investment and related expense in its production and transmission facilities and a significant portion of the investment and related expenses of its distribution system. The investments and expenses that are allocated using demand allocators are those that are incurred to ensure that the Company can meet the demand customers place on the system for electricity in a reliable manner. Accordingly, customers cause the Company to incur these investments and expenses based on the relative demand requirements that they place upon the system. By the same token, the costs allocated using demand allocators tend to be costs that remain constant over the short run and do not vary based on the amount of power being used on the system. These costs are often referred to as fixed costs.

Q. PLEASE DEFINE ENERGY-RELATED COSTS.

A. Energy-related costs are defined as those costs which vary with the number of kWh consumed on the system. These costs are also classified as variable costs. Customers cause these costs to be incurred by their consumption of energy on the system. For that reason, allocators based on kWh sales are used for these types of costs.

Q. PLEASE DEFINE CUSTOMER-RELATED COSTS.

A. Customer-related costs are those costs which are incurred primarily as a function of the number of customers served. These costs include items of investment and related expenses in the functional category of meter investment and expenses, customer accounting and sales expense, investment and expenses related to secondary lines and services, and a portion of investment and expenses related to transformers. Customer costs do not vary significantly with the customers' volume of usage, either individually or as a customer class. However, these costs do vary with the number of customers in a class and with the size of the customers in the class (i.e., the voltages at which they take power, the maximum size of their meters, etc.).

D. ALLOCATION OF COSTS

Q. PLEASE EXPLAIN THE ALLOCATION OF COSTS.

A. The first step in allocating costs is the development of specific allocation factors to allocate the cost components to the various customer classes. In the development of the allocation factors, a principle of "equivalent level of service" is followed to ensure that the customer classes are allocated cost components for only those levels of the system involved in service to their members. For example, the level of service concept ensures that an industrial customer who receives service at transmission voltage is not allocated a portion of the distribution system costs.

Q. WHAT DEMAND ALLOCATORS WERE USED TO ASSIGN DEMAND COSTS TO THE CUSTOMER CLASSES?

A. Two specific demand allocators were developed to assign demand costs to customer classes: the coincident peak demand ("CP") allocator for production and transmission costs, and the non-coincident peak demand ("NCP") for distribution costs.

Q. WHAT IS THE CP ALLOCATOR?

A. The CP allocator is developed based on the contribution of each customer class to the system territorial peak demand experienced during the test year. The Company's territorial peak demand usually occurs between the summer hours of 2 p.m. and 6 p.m.; therefore, the Company has historically used the average peak in this four-hour band. This four-hour band is used, rather than the instantaneous peak, because individual classes have different load characteristics within this four-hour band, and wide swings in allocated costs could occur each time rates are set if the single instantaneous peak were utilized. This four-hour band CP allocator provides consistency in allocation of costs, and the Company has used the four-hour band with the Commission's approval in all electric rate proceedings for at least the last 38 years.

Q. WHEN DID THE PEAK DEMAND USED IN THIS STUDY OCCUR?

A. The peak demand used in this study occurred on July 18, 2019.

Q. HOW IS THE CP ALLOCATOR USED?

A. The CP allocator was utilized to allocate investments and demand-related expenses associated with the production and transmission functions of the Company because system peak is the prime determinant of the amount of production and transmission facilities that the Company must install to meet customer demands.

Q. WHAT ALLOCATOR IS USED FOR DISTRIBUTION INVESTMENT AND EXPENSES?

A. The non-coincident peak allocator is the basis for allocating demand-related distribution investments and expenses. The NCP allocator is developed by taking the non-simultaneous peak demands of the different classes whenever they occurred during the test year.

Q. WHY DO YOU USE A NON-COINCIDENT PEAK FOR ALLOCATING DISTRIBUTION INVESTMENT?

A. Distribution facilities include the low voltage lines, transformers, and related facilities that serve individual neighborhoods, rural areas, and commercial districts. They do not function as a single integrated system in meeting system peak demand. Instead, the distribution system serving each neighborhood, rural area, or commercial district must be able to meet the peak demand in that area whenever it occurs. Accordingly, contribution to non-coincident peak is the appropriate measure of customers' responsibility for these costs because it best measures the factors that drive investment in that part of the system.

Q. WHAT ALLOCATOR WAS USED TO ASSIGN ENERGY COSTS TO CUSTOMER CLASSES?

A. Energy costs reflect the variable cost of producing, transmitting, and delivering electricity using the system already in place. Therefore, the Company's energy sales during the test year by class of customers were used to allocate these costs. An example of a cost allocated on this basis is fuel.

Q. PLEASE EXPLAIN THE DEVELOPMENT OF THE ENERGY ALLOCATORS.

A. The energy allocators are developed from the annual kWh sales by class of customer adjusted for system losses. We collected data on energy usage by customer class, and we used actual test period data in making the allocation.

Q. PLEASE EXPLAIN THE DEVELOPMENT OF THE CUSTOMER ALLOCATORS.

A. Customer-related allocation factors were based initially on the raw number of customers in the respective classes during the test period. To create more precise customer allocation factors, we utilized both weighted and non-weighted determinants. For example, we allocated billing expenses between customer classes based on the average number of customers in the class. This non-weighted allocation reflects the fact that the cost to produce, mail, and otherwise process a bill does not vary significantly between customer classes.

On the other hand, the cost of reading meters and establishing billing determinants varies substantially between customer classes. Larger customers with more complex metering equipment and more complicated bills require more effort and cost for billing. Accordingly, we developed the factors used for allocating billing expenses among customer classes by weighting the average number of customers in the class (a) by the average time required to read a typical meter for customers of that class, and (b) by the average time required to develop billing determinants for customers in that class.

Q. DOES YOUR COST OF SERVICE STUDY FOR THE TEST YEAR PROPERLY DISTRIBUTE COSTS OF PROVIDING ELECTRIC SERVICE TO CUSTOMER CLASSES?

A. Yes. The cost of service study presented here as Exhibit No. ___ (KRK-1) provides a proper foundation for distributing costs among classes since it recognizes cost causation and distributes costs accordingly. This study also provides a proper basis for determining cost-based rates and is a major component of fair and equitable rate design. The cost of service study also provides a reasonably accurate measure of profitability among classes of customers. It is fully consistent with past precedent and practice of the Commission in setting rates for the Company.

E. REQUESTED REVENUE

Q. PLEASE EXPLAIN HOW YOU DEVELOPED THE REQUESTED REVENUE.

A. The requested revenue is based on the rate of return information contained in Exhibit C-2, page 2 of 4 of the Company's Application. This information shows the rate of return that the Company earned during the test year was deficient and indicates a need for a net revenue increase of approximately $178 million to allow the Company to earn a compensatory return on its retail electric service.

Q. HOW WAS THE REVENUE INCREASE BY CLASS DEVELOPED?

A. In developing an appropriate distribution of the revenue increase to the various classes of customers, the cost of service is used. From it, we ascertain our total revenue requirement and the percent by which our revenues must increase to meet this requirement. For ease of analysis, assume that the Company requires a 9% overall retail rate of return and this equates to an overall 7% revenue increase. If we then adjust the rates for each class of customer so that each class return equals 9%, we would realize our revenue requirement and each class would be paying its exact cost to serve.

While this solution has appeal from a purely academic standpoint, the circumstances of our customers are much more dynamic, and the relationship of customer costs cannot be so easily maintained. Please refer to my Exhibit No. ___ (KRK-2). This exhibit shows that, based on the adjusted test year results, the residential, medium, and large general service classes started out below 100% of the retail rate of return while the other classes were above 100%. With the proposed revenue increases, all classes were either kept near or moved toward 100%.

In proposing these revenue increases, we are adhering to a long-standing regulatory policy that customer rates should produce rates of return among classes that bear a reasonable relationship to the overall retail rate of return. As a guide, the Company has historically considered (and the Commission has accepted) that a reasonable relationship exists to the overall retail rate of return so long as each customer class falls within plus or minus 10% of the theoretical 100%. This bandwidth allows the Commission flexibility to take into consideration public policy issues while making its decisions concerning how to allocate increases in revenue requirements.

The Company continues to use the plus or minus 10% standard as a guide. Again, please refer to my Exhibit No. ___ (KRK-2). This exhibit shows that all classes are within or very close to plus or minus 10% except the small general service and Lighting classes. The Lighting class is just outside the band at 111%. The small general service class has been well above the bandwidth for over ten years. We have moved them toward the bandwidth, but because we believe it is important to take measured steps when adjusting rates among classes of customers, we were unable to move it into the bandwidth. Notwithstanding this situation, we continue to believe that utilization of the plus or minus 10% bandwidth as a guide is reasonable and allows flexibility over the long run.

V. CONCLUSION

Q. WHAT ARE YOU ASKING THE COMMISSION TO DO?

A. I am respectfully asking that the Commission recognize and approve the pro forma adjustments to Test Year results and to rate base that I have discussed above, and also those that Company Witness Coffer discusses. I am also asking that the Commission accept the Company's cost of service study for use in these proceedings.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

Description	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
TOTAL REVENUES	2,118,108	973,668	418,255	186,090	429,017	60,340	2,067,371
OPERATING EXPENSES							
O&M EXPENSES - FUEL	590,342	222,967	99,582	58,380	179,040	7,808	567,776
- OTHER	593,242	301,071	113,097	48,757	104,719	11,874	579,519
DEPRECIATION & AMORT. EXPENSE	308,926	149,177	59,691	25,975	51,814	11,991	298,648
TAXES OTHER THAN INCOME	238,120	116,059	46,624	20,442	40,813	9,077	233,015
TOTAL INCOME TAXES	34,885	14,157	12,794	3,328	5,262	(1,318)	34,222
TOTAL OPERATING EXPENSES	1,765,515	803,431	331,788	156,882	381,648	39,431	1,713,180
OPERATING RETURN	352,593	170,237	86,467	29,208	47,369	20,909	354,191
TOTAL CUSTOMER GROWTH	1,151	969	261	(153)	126	(52)	1,151
INTEREST ON CUSTOMER DEPOSITS	(1,385)	(880)	(248)	(71)	(145)	(42)	(1,385)
RETURN	352,359	170,326	86,481	28,984	47,350	20,815	353,957
RATEBASE							
ELECTRIC PLANT IN SERVICE	11,105,339	5,435,273	2,176,198	945,761	1,885,513	435,300	10,878,045
RESERVE FOR DEPRECIATION	(4,765,053)	(2,316,831)	(934,279)	(412,828)	(840,095)	(155,170)	(4,659,205)
NET PLANT	6,340,286	3,118,441	1,241,919	532,933	1,045,418	280,130	6,218,840
TOTAL CONST. WORK IN PROGRESS	565,129	272,209	110,805	49,406	103,894	15,480	551,793
TOTAL DEFERRED DEBITS/CREDITS	(480,105)	(239,323)	(93,607)	(39,691)	(75,479)	(23,117)	(471,218)
TOTAL WORKING CAPITAL	(22,782)	(18,705)	(8,742)	2,816	4,911	(4,438)	(24,159)
TOTAL MATERIALS & SUPPLIES	410,634	171,914	73,627	38,799	104,629	8,238	397,208
ACCUM. DEFERRED INCOME TAXES	(942,271)	(463,019)	(184,573)	(79,564)	(156,433)	(40,224)	(923,814)
TOTAL RATEBASE	5,870,891	2,841,517	1,139,428	504,697	1,026,940	236,069	5,748,651
RATE OF RETURN	6.00%	5.99%	7.59%	5.74%	4.61%	8.82%	6.16%

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**ELECTRIC PLANT IN SERVICE**								
2	PRODUCTION PLANT								
3	Steam	D10	2,062,168	963,942	405,916	192,380	437,363	0	1,999,602
4	Hydraulic	D10	662,462	309,662	130,399	61,801	140,501	0	642,363
5	Nuclear	D10	1,352,476	632,203	266,221	126,173	286,845	0	1,311,442
6	Other	D10	963,897	450,565	189,733	89,922	204,432	0	934,652
7	**TOTAL PRODUCTION PLANT**		5,041,003	2,356,372	992,269	470,276	1,069,142	0	4,888,059
8	TRANSMISSION PLANT								
9	350 - LAND & LAND RIGHTS								
10	Bulk Power Transmission	DM3	95,542	44,501	18,739	8,881	20,191	0	92,313
11	Sub-Transmission	DM3	3,300	1,537	647	307	697	0	3,188
12	Distribution Substations	D30	6,122	3,129	1,397	585	887	122	6,122
13	Direct Assignment	P350DA	12,574	0	1,237	5	11,275	0	12,517
14	TOTAL ACCOUNT 350		117,538	49,167	22,021	9,778	33,051	122	114,140
15	352-353 SUBSTATIONS								
16	Bulk Power Transmission	DM3	525,744	244,877	103,118	48,872	111,107	0	507,974
17	Sub-Transmission	DM3	51,937	24,191	10,187	4,828	10,976	0	50,182
18	Distribution Substations	D30	85,917	43,918	19,610	8,216	12,454	1,719	85,917
19	TOTAL ACCOUNTS 352-353		663,598	312,986	132,915	61,916	134,536	1,719	644,072
20	354-356 OVERHEAD LINES								
21	Bulk Power Transmission	DM3	970,187	451,887	190,290	90,186	205,032	0	937,394
22	Sub-Transmission	DM3	40,810	19,008	8,004	3,794	8,624	0	39,431
23	Direct Assignment	P354DA	34,615	0	3,975	135	29,838	0	33,948
24	Distribution Substations	D30	670	342	153	64	97	13	670
25	TOTAL ACCOUNTS 354-356		1,046,282	471,238	202,422	94,179	243,591	13	1,011,443
26	357-358 UNDERGROUND LINES								
27	Bulk Power Transmission	DM3	75,615	35,219	14,831	7,029	15,980	0	73,059
28	Sub-Transmission	DM3	1,633	761	320	152	345	0	1,578
29	TOTAL ACCOUNTS 357-358		77,248	35,980	15,151	7,181	16,325	0	74,637
30	359 - ROADS AND TRAILS								
31	Bulk Power Transmission	DM3	70	33	14	7	15	0	68
32	Sub-Transmission	DM3	4	2	1	0	1	0	4
33	TOTAL ACCOUNT 359		74	34	15	7	16	0	71
34	**TOTAL TRANSMISSION PLANT**		1,904,740	869,406	372,523	173,060	427,519	1,855	1,844,363

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Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
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	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**DISTRIBUTION PLANT**								
2	360 - LAND & LAND RIGHTS								
3	SUBSTATIONS								
4	Bulk	D30	60,817	31,088	13,881	5,816	8,815	1,217	60,817
5	Direct Assignment	P360DA	340	0	0	0	340	0	340
6	Sub-Total Substations		61,157	31,088	13,881	5,816	9,155	1,217	61,157
7	OVERHEAD LINES								
8	Primary - Customer Comp	D30	2,048	1,047	467	196	297	41	2,048
9	TOTAL ACCOUNT 360		63,205	32,135	14,349	6,012	9,452	1,258	63,205
10	361-363 SUBSTATIONS								
11	Bulk	D30	346,463	177,101	79,079	33,131	50,220	6,932	346,463
12	Direct Assignment	P361DA	78,368	0	4,542	685	72,389	0	77,616
13	TOTAL ACCOUNTS 361-363		424,831	177,101	83,621	33,816	122,609	6,932	424,079
14	364-365 OVERHEAD LINES								
15	PRIMARY FUNCTION								
16	Capacity Component	D30	625,851	319,915	142,848	59,848	90,718	12,523	625,851
17	SECONDARY FUNCTION								
18	Customer Component	C35	421,773	311,698	79,933	26,022	0	4,121	421,773
19	TOTAL ACCOUNTS 364-365		1,047,624	631,613	222,780	85,869	90,718	16,644	1,047,624
20	366-367 UNDERGROUND LINES								
21	Primary Function	D30	356,030	181,991	81,262	34,046	51,607	7,124	356,030
22	Secondary Function	C35	310,943	229,792	58,929	19,184	0	3,038	310,943
23	TOTAL ACCOUNTS 366-367		666,973	411,783	140,191	53,230	51,607	10,162	666,973
24	368 - TRANSFORMERS								
25	Bulk Power Transmission	D10	8,356	3,906	1,645	780	1,772	0	8,102
26	Primary Function	D30	17,201	8,793	3,926	1,645	2,493	344	17,201
27	SECONDARY FUNCTION								
28	Capacity Component	D35	306,135	183,114	81,764	34,089	0	7,168	306,135
29	Customer Component	C35	177,592	131,244	33,656	10,957	0	1,735	177,592
30	TOTAL ACCOUNT 368		509,284	327,056	120,991	47,470	4,266	9,247	509,030
31	369 - SERVICES								
32	Customer Component	C36	308,588	230,302	59,059	19,227	0	0	308,588
33	TOTAL ACCOUNT 369		308,588	230,302	59,059	19,227	0	0	308,588
34	370 - METERS	P370	143,085	90,417	46,661	3,019	2,976	0	143,073
35	373 - STREET LIGHTING	P373	364,447	0	0	0	0	364,447	364,447
36	**TOTAL DISTRIBUTION PLANT**		3,528,037	1,900,406	687,651	248,643	281,628	408,691	3,527,019

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Dominion Energy South Carolina, Inc.
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	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	GENERAL PLANT								
2	389 - LAND & LAND RIGHTS	PTD	8,189	4,008	1,605	697	1,390	321	8,021
3	390-398 OTHER GENERAL PLANT	PTD	163,037	79,795	31,949	13,885	27,681	6,391	159,701
4	**TOTAL GENERAL PLANT**		171,226	83,803	33,553	14,582	29,072	6,712	167,722
5	**INTANGIBLE PLANT**	PTD	83,296	40,768	16,323	7,094	14,142	3,265	81,591
6	COMMON PLANT								
7	489 - LAND & LAND RIGHTS	PTD	16,366	8,010	3,207	1,394	2,779	642	16,031
8	490-498 OTHER COMMON PLANT	PTD	360,671	176,508	70,671	30,713	61,231	14,136	353,259
9	**TOTAL COMMON PLANT**		377,037	184,518	73,878	32,107	64,010	14,778	369,290
10	**TOTAL ELECTRIC PLANT IN SERVICE**		11,105,339	5,435,273	2,176,198	945,761	1,885,513	435,300	10,878,045
11	**ACCUM. RESERVES FOR DEPRECIATION**								
12	PRODUCTION	P10	(2,642,843)	(1,235,374)	(520,216)	(246,551)	(560,518)	0	(2,562,659)
13	TRANSMISSION	P20L	(470,678)	(216,018)	(92,308)	(43,002)	(103,887)	(456)	(455,672)
14	DISTRIBUTION	P30L	(1,147,783)	(618,896)	(223,043)	(80,376)	(90,163)	(134,969)	(1,147,446)
15	GENERAL	P40L	(350,545)	(171,567)	(68,693)	(29,853)	(59,517)	(13,740)	(343,371)
16	COMMON (ELECTRIC PORTION)	PCL	(153,204)	(74,976)	(30,019)	(13,046)	(26,009)	(6,005)	(150,055)
17	**TOTAL ACCUM. RESERVES FOR DEPREC.**		(4,765,053)	(2,316,831)	(934,279)	(412,828)	(840,095)	(155,170)	(4,659,205)
18	**NET ELECTRIC PLANT IN SERVICE**		6,340,286	3,118,441	1,241,919	532,933	1,045,418	280,130	6,218,840
19	**CONSTRUCTION WORK IN PROGRESS**								
20	PRODUCTION	P10	165,013	77,134	32,481	15,394	34,997	0	160,007
21	TRANSMISSION	P20	70,414	32,140	13,771	6,398	15,804	69	68,182
22	DISTRIBUTION	P30	32,201	17,329	6,254	2,278	2,581	3,750	32,192
23	GENERAL	P40	293,669	143,730	57,547	25,010	49,861	11,511	287,659
24	COMMON (ELECTRIC PORTION)	PC	3,832	1,875	751	326	651	150	3,754
25	**TOTAL CONSTR. WORK IN PROGRESS**		565,129	272,209	110,805	49,406	103,894	15,480	551,793

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Dominion Energy South Carolina, Inc.
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	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**MATERIALS AND SUPPLIES**								
2	NUCLEAR FUEL INVENTORY	E10	196,968	74,182	33,151	19,471	59,831	2,624	189,259
3	FOSSIL FUEL INVENTORY	E10	59,904	22,561	10,082	5,922	18,196	798	57,559
4	EMISSION ALLOWANCES	P10	627	293	123	58	133	0	608
5	PLANT MATERIALS AND SUPPLIES								
6	Plant Materials	D10	62,581	29,253	12,318	5,838	13,273	0	60,682
7	Substation Materials	P11	4,176	1,880	831	367	987	33	4,098
8	Wire and Cable	P12	6,627	3,490	1,346	570	1,058	53	6,517
9	Poles and Hardware	P12	12,166	6,408	2,471	1,046	1,942	97	11,964
10	Underground Material	P13	5,047	3,037	1,053	410	461	69	5,029
11	Street Lighting Material	P373	2,429	0	0	0	0	2,429	2,429
12	Meters	P370	1,047	662	341	22	22	0	1,047
13	Transformers	P368	8,043	5,165	1,911	750	67	146	8,039
14	Reels, Drums, and Containers	P12	333	175	68	29	53	3	327
15	TOTAL PLANT MATERIALS AND SUPPLIES		102,449	50,070	20,339	9,032	17,863	2,829	100,132
16	COMMON MATERIALS AND SUPPLIES	PC	50,686	24,807	9,932	4,317	8,606	1,987	49,649
17	**TOTAL M&S EXCLUDING FUEL**		153,135	74,877	30,271	13,348	26,469	4,816	149,781
18	WORKING CASH		114,756	52,027	20,692	10,171	26,374	2,161	111,424
19	PREPAYMENTS								
20	Plant Prepayments	POO	3,069	1,501	601	262	522	120	3,006
21	Other Taxes Prepayments	TIPOO	3,121	1,518	612	268	536	119	3,052
22	Municipal Licenses	RSLMUN	52,147	27,150	12,926	6,949	4,012	1,110	52,147
23	TOTAL PREPAYMENTS		58,337	30,169	14,138	7,479	5,070	1,349	58,205
24	**TOTAL ADDITIONS TO NET PLANT**		1,148,856	526,319	219,262	105,854	239,967	27,229	1,118,630
25	**ACCUM. DEFERRED INCOME TAXES**								
26	Production Related	P10	(384,146)	(179,566)	(75,615)	(35,837)	(81,473)	0	(372,491)
27	Transmission & Distribution Related	TD	(504,430)	(257,175)	(98,437)	(39,155)	(65,844)	(38,119)	(498,730)
28	General & Common Related	GC	(53,695)	(26,278)	(10,521)	(4,573)	(9,116)	(2,105)	(52,593)
29	**TOTAL ACCUM. DEF. INCOME TAXES**		(942,271)	(463,019)	(184,573)	(79,564)	(156,433)	(40,224)	(923,814)
30	AVERAGE TAX ACCRUALS	AVGTAX	(129,744)	(61,785)	(31,700)	(10,873)	(17,726)	(5,999)	(128,083)
31	CUSTOMER DEPOSITS	PCD	(51,797)	(32,900)	(9,260)	(2,643)	(5,424)	(1,570)	(51,797)
32	INJURIES AND DAMAGES	POO	(7,258)	(3,550)	(1,421)	(619)	(1,234)	(285)	(7,109)
33	NUCLEAR REFUELING	E10	(7,076)	(2,665)	(1,191)	(699)	(2,149)	(94)	(6,799)
34	OPEBS	LABOR	(122,798)	(61,923)	(23,540)	(9,890)	(20,769)	(3,852)	(119,974)
35	TAX DEFERRALS	POO	(556,283)	(272,124)	(108,887)	(47,436)	(94,594)	(21,837)	(544,878)
36	WATEREE SCRUBBER DEFERRAL	P10	16,290	7,615	3,207	1,520	3,455	0	15,796
37	PENSION DEFERRAL	XLABOR	36,205	18,454	6,883	2,854	6,113	1,031	35,335
38	STORM RESERVE	TD	18,973	9,784	3,745	1,490	2,505	1,450	18,973
39	GENCO EDIT	D10	(2,782)	(1,300)	(548)	(260)	(590)	0	(2,698)
40	NND TRANSMISSION	P20L	47,604	21,848	9,336	4,349	10,507	46	46,086
41	CAPACITY PURCHASES	D10	1,068	499	210	100	227	0	1,036
42	KAPSTONE	P10	(366)	(171)	(72)	(34)	(78)	0	(355)
43	AMI METERS	P370	537	290	104	38	42	63	537
44	CIPv5	P20	14,757	6,736	2,886	1,341	3,312	14	14,289
45	FUKUSHIMA	P10	3,039	1,421	598	284	645	0	2,947
46	CYBER	P10	5,177	2,420	1,019	483	1,098	0	5,020
47	TAX REFORM	POO	(734)	(527)	(204)	(58)	55	0	(734)
48	PLANT RETIREMENT	P10	59,658	27,887	11,743	5,566	12,653	0	57,848
49	DEF. CREDIT / ENVIRONMENTAL	TD	(450)	(229)	(88)	(35)	(59)	(34)	(445)
50	**TOTAL DEDUCTIONS FROM NET PLANT**		(1,618,251)	(803,243)	(321,753)	(134,090)	(258,445)	(71,289)	(1,588,820)
51	**TOTAL RATEBASE**		5,870,891	2,841,517	1,139,428	504,697	1,026,940	236,069	5,748,651

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Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**OPERATING REVENUES**								
2	SALES OF ELECTRICITY	RSL	2,041,793	941,441	402,938	180,413	408,556	59,463	1,992,811
3	OTHER OPERATING REVENUES								
4	OPPORTUNITY SALES								
5	Demand Component	D10	15,092	7,055	2,971	1,408	3,201	0	14,634
6	Energy Component	E10	31,350	11,807	5,276	3,099	9,523	418	30,123
7	Transmission Component	P20	4,268	1,948	835	388	958	4	4,133
8	TOTAL OPPORTUNITY SALES		50,710	20,810	9,082	4,895	13,682	422	48,890
9	450 - FORFEITED DISCOUNTS	E904	6,122	5,529	407	183	2	0	6,122
10	451 - MISCELLANEOUS	R451DA	4,685	3,103	1,582	0	0	0	4,685
11	454 - RENT								
12	Distribution Function	P30	9,717	5,229	1,887	687	779	1,132	9,714
13	Direct Assignment	R454DA	9,456	0	3,186	173	6,066	32	9,456
14	TOTAL ACCOUNT 454		19,173	5,229	5,073	860	6,844	1,164	19,170
15	Other Electric Revenues	TD	(9,415)	(4,815)	(1,843)	(733)	(1,233)	(714)	(9,337)
16	Other Electric Revenues - Trans.	P20	5,194	2,371	1,016	472	1,166	5	5,029
17	Other Electric Revenues - Wholesale	REV_456WH	(154)	0	0	0	0	0	0
18	456 - OTHER ELECTRIC REVENUES		(4,375)	(2,444)	(827)	(261)	(67)	(709)	(4,307)
19	TOTAL OTHER REVENUE		76,315	32,228	15,316	5,677	20,462	877	74,560
20	**TOTAL OPERATING REVENUES**		2,118,108	973,668	418,255	186,090	429,017	60,340	2,067,371

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Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
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	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		**OPERATION AND MAINTENANCE EXPENSE**								
2		PRODUCTION EXPENSES								
3		OPERATION								
4	500	Supervision and Engineering	Z500	2,954	1,345	570	278	662	5	2,861
5	501	Fuel	E10	171,655	64,977	28,994	16,948	51,811	2,239	164,968
6	502	Steam Expenses	P10	2,163	1,011	426	202	459	0	2,097
7	505	Electric Expenses	P10	6,397	2,990	1,259	597	1,357	0	6,203
8	506	Misc. Steam Expenses	P10	6,729	3,145	1,325	628	1,427	0	6,525
9	509	Emission Allowance Expenses	D10	3	1	1	0	1	0	3
10		TOTAL STEAM OPERATION		189,901	73,471	32,574	18,653	55,716	2,244	182,657
11		MAINTENANCE								
12	510	Supervision and Engineering	E10	101	38	17	10	31	1	97
13	511	Structures	P10	734	343	144	68	156	0	712
14	512	Boiler Plant	P10	10,015	4,681	1,971	934	2,124	0	9,711
15	513	Electric Plant	P10	17,512	8,186	3,447	1,634	3,714	0	16,981
16	514	Misc. Steam Expenses	E10	5,697	2,146	959	563	1,731	76	5,474
17		TOTAL STEAM MAINTENANCE		34,059	15,394	6,539	3,210	7,755	77	32,975
18		NUCLEAR POWER GENERATION								
19		OPERATION								
20	517	Supervision and Engineering	Z517	10,499	4,908	2,067	979	2,227	0	10,180
21	518	Fuel	E10	53,082	19,992	8,934	5,247	16,124	707	51,004
22	519	Coolants and Water	P10	2,626	1,228	517	245	557	0	2,546
23	520	Steam Expenses	P10	6,460	3,020	1,272	603	1,370	0	6,264
24	523	Electric Expenses	P10	1,984	927	391	185	421	0	1,924
25	524	Misc. Nuclear Expenses	P10	41,544	19,419	8,178	3,876	8,811	0	40,284
26		TOTAL STEAM OPERATION		116,195	49,493	21,357	11,135	29,510	707	112,203
27		MAINTENANCE								
28	528	Supervision and Engineering	E10	16,717	6,296	2,814	1,652	5,078	223	16,063
29	529	Structures	P10	3,497	1,635	688	326	742	0	3,391
30	530	Reactor Plant Equipment	P10	3,651	1,707	719	341	774	0	3,540
31	531	Electric Plant	P10	2,530	1,183	498	236	537	0	2,453
32	532	Misc. Nuclear Plant	P10	12,619	5,899	2,484	1,177	2,676	0	12,236
33		TOTAL STEAM MAINTENANCE		39,014	16,719	7,202	3,733	9,807	223	37,683

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	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		HYDRAULIC POWER GENERATION								
2		OPERATION								
3	535	Supervision and Engineering	Z535	762	356	150	71	162	0	739
4	537	Hydraulic Expenses	P10	1,518	710	299	142	322	0	1,472
5	538	Electric Expenses	P10	238	111	47	22	50	0	231
6	539	Misc. Hydraulic Power Expenses	P10	598	280	118	56	127	0	580
7		TOTAL HYDRO OPERATION		3,116	1,457	613	291	661	0	3,021
8		MAINTENANCE								
9	541	Supervision and Engineering	Z541	249	116	49	23	53	0	241
10	542	Structures	P10	12	6	2	1	3	0	12
11	543	Dams and Waterways	P10	706	330	139	66	150	0	685
12	544	Electric Plant	P10	3,495	1,634	688	326	741	0	3,389
13	545	Misc. Hydraulic Plant Maintenance	E10	209	79	35	21	63	3	201
14		TOTAL HYDRO MAINTENANCE		4,671	2,164	913	437	1,010	3	4,527
15		OTHER POWER GENERATION								
16		OPERATION								
17	546	Supervision and Engineering	Z546	1,551	725	305	145	329	0	1,504
18	547	Fuel	E10	248,844	93,915	41,969	24,650	75,746	3,322	239,602
19	548	Generation Expenses	P10	6,070	2,837	1,195	566	1,287	0	5,886
20	549	Misc. Other Power Generation Expenses	P10	2,182	1,020	430	204	463	0	2,116
21		OTHER OPERATION		258,647	98,497	43,898	25,564	77,825	3,322	249,107
22		MAINTENANCE								
23	551	Supervision and Engineering	Z551	1,348	620	262	126	297	2	1,306
24	552	Structures	P10	525	245	103	49	111	0	509
25	553	Generating and Electric Equipment	P10	15,785	7,379	3,107	1,473	3,348	0	15,306
26	554	Misc. Other	E10	2,556	963	430	253	776	34	2,456
27		OTHER MAINTENANCE		20,214	9,206	3,903	1,901	4,532	36	19,577
28		OTHER POWER SUPPLY EXPENSE								
29	555D	Purchased Power - Demand	D10	84,880	39,676	16,708	7,918	18,002	0	82,305
30	555E	Purchased Power - Energy	E10	10,815	4,073	1,820	1,069	3,285	144	10,392
31	555F	Purchased Power - Fuel	E10	31,758	11,961	5,345	3,139	9,647	423	30,515
32	555FENV	Purchased Power - Fuel- Environmental	D10	1,187	555	234	111	252	0	1,151
33	555G	Purchased Power - GENCO Fuel	E10	83,813	31,566	14,106	8,285	25,459	1,117	80,533
34	556	System Control and Load Dispatching	D10	2,992	1,399	589	279	635	0	2,901
35	557	Other Expenses	D10	265	124	52	25	56	0	257
36		TOTAL OTHER PWR SUPPLY		215,710	89,353	38,854	20,826	57,336	1,684	208,053
37		**TOTAL PRODUCTION EXPENSE**		881,527	355,754	155,854	85,749	244,152	8,296	849,805

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	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		TRANSMISSION EXPENSE								
2		OPERATION								
3	560	Supervision and Engineering	Z560	925	428	182	85	201	0	896
4	561	Load Dispatching	D10	1,936	905	381	181	411	0	1,877
5	562	Station Expenses	P3523	3,845	1,813	770	359	780	10	3,732
6	563	Overhead Lines Expenses	P3546	448	202	87	40	104	0	433
7	565	Transmission of Electricity by Others	D10	59	28	12	6	13	0	57
8	566	Misc. Transmission Expenses	P20	8,913	4,068	1,743	810	2,001	9	8,630
9	567	Rents	P20	374	171	73	34	84	0	362
10		TOTAL OPERATION		16,500	7,615	3,247	1,514	3,593	19	15,988
11		MAINTENANCE								
12	568	Supervision and Engineering	Z568	52	24	10	5	11	0	50
13	569	Structures	P3523	121	57	24	11	25	0	117
14	570	Station Equipment	P3523	2,524	1,190	506	235	512	7	2,450
15	571	Overhead Lines	P3546	11,854	5,421	2,328	1,083	2,802	0	11,635
16	572	Underground Lines	P3578	12	6	2	1	3	0	12
17	573	Maintenance of Misc. Transmission Plant	P20	344	157	67	31	77	0	333
18		TOTAL MAINTENANCE		14,907	6,855	2,938	1,367	3,429	7	14,597
19		**TOTAL TRANSMISSION**		31,407	14,469	6,186	2,882	7,022	27	30,585

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		DISTRIBUTION EXPENSE								
2		OPERATION								
3	580	Supervision and Engineering	Z580	964	528	221	61	84	71	964
4	581	Load Dispatching	D30	860	440	196	82	125	17	860
5	582	Station Expenses	P3613	623	260	123	50	180	10	622
6	583	Overhead Line Expenses	P3645	1,448	873	308	119	125	23	1,448
7	584	Underground Line Expenses	P3667	141	87	30	11	11	2	141
8	585	Street Lighting Expenses	P373	139	0	0	0	0	139	139
9	586	Meter Expenses	P370	1,465	926	478	31	30	0	1,465
10	587	Customer Installations Expenses	P371	24	24	0	0	0	0	24
11	588	Misc. Distribution Expense	P30	9,949	5,354	1,932	704	797	1,159	9,946
12	589	Rents	P30	2,224	1,197	432	157	178	259	2,223
13		TOTAL OPERATION		17,837	9,688	3,719	1,214	1,531	1,680	17,832
14		MAINTENANCE								
15	590	Supervision and Engineering	Z590	232	112	43	16	29	31	232
16	591	Structures	P3613	2	1	0	0	1	0	2
17	592	Station Equipment	P3613	3,891	1,622	766	310	1,123	63	3,884
18	593	Overhead Lines	P3645	48,064	28,978	10,221	3,940	4,162	764	48,064
19	594	Underground Lines	P3667	3,994	2,466	839	319	309	61	3,994
20	595	Line Transformers	P368	96	62	23	9	1	2	96
21	596	Street Lighting	P373	3,991	0	0	0	0	3,991	3,991
22	597	Meters	P370	373	236	122	8	8	0	373
23	598	Mntce. Of Misc. Distribution Plant	P30	2,345	1,262	455	166	188	273	2,344
24		TOTAL DISTRIBUTION MAINTENANCE		62,988	34,738	12,470	4,767	5,820	5,185	62,980
25		**TOTAL DISTRIBUTION**		80,825	44,426	16,189	5,981	7,351	6,865	80,812

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Account	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		CUSTOMER ACCOUNTS EXPENSE								
2	901	Supervision	Z901	1,136	880	143	4	1	108	1,136
3	902	Meter Reading Expenses	CUST1	2,125	1,585	514	22	4	0	2,125
4	903	Customer Records and Collection Expenses	903DA	29,337	25,287	3,969	104	15	(37)	29,337
5	904	Uncollectible Accounts	E904DA	3,690	3,333	245	111	1	0	3,690
6	905	Miscellaneous	CUSXX	3,151	2,704	423	21	2	1	3,151
7		TOTAL CUSTOMER ACCOUNTS		39,439	33,788	5,294	262	23	72	39,439
8		CUSTOMER SERVICE & INFORMATIONAL EXPENSE								
9	907	Supervision	Z907	281	122	99	37	21	2	281
10	908	Customer Assistance	E908DA	2,448	1,064	857	319	187	15	2,441
11	910	Miscellaneous	CUSYY	10	4	4	1	1	0	10
12		TOTAL CUSTOMER SERV. & INFO. EXPENSE		2,739	1,191	959	357	209	16	2,732
13		SALES EXPENSE								
14	912	Demonstration and Selling Expenses	E912DA	1,039	182	182	172	182	9	727
15	916	Miscellaneous	CUSZZ	294	51	51	49	51	3	206
16		TOTAL SALES EXPENSE		1,333	233	233	221	233	12	933

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Accounts	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1		ADMINISTRATIVE & GENERAL EXPENSE								
2	920	Salaries	XLABOR	44,244	22,552	8,411	3,487	7,470	1,260	43,180
3	921	Office Supplies and Expenses	XLABOR	15,188	7,742	2,887	1,197	2,564	432	14,823
4	923	Outside Services Employed	XLABOR	12,556	6,400	2,387	990	2,120	358	12,254
5	924	Property Insurance	POO	(1,928)	(943)	(377)	(164)	(328)	(76)	(1,888)
6	925	Injuries and Damages	POO	11,976	5,858	2,344	1,021	2,036	470	11,730
7	926	Employee Pensions and Benefits	XLABOR	52,258	26,637	9,934	4,119	8,823	1,488	51,002
8	927	Franchise Requirements	POO	6	3	1	1	1	0	6
9	928	928-REG COMMISSION EXP								
10	928S	State Regulatory Commission Exp.	XPOO	6,367	3,190	1,269	547	1,074	287	6,367
11	928F	Federal Regulatory Commission Exp.	YPOO	5	0	0	0	0	0	0
12	928O	Other Regulatory Commission Exp.	D10	1,187	555	234	111	252	0	1,151
13		Total Regulatory Commission Expenses		7,559	3,745	1,503	658	1,326	287	7,518
14	929	Duplicate Charges - Cr.	POO	(8,858)	(4,333)	(1,734)	(755)	(1,506)	(348)	(8,676)
15	930	Miscellaneous	P40	2,346	1,148	460	200	398	92	2,298
16	931	Rents	POO	3,744	1,832	733	319	637	147	3,667
17	935	Maintenance of General Plant	P40	7,223	3,535	1,415	615	1,226	283	7,075
18		TOTAL ADMINISTRATIVE & GENERAL EXPENSES		146,314	74,176	27,965	11,687	24,769	4,394	142,989
19		**TOTAL OPERATION & MAINT. EXPENSE**		1,183,584	524,038	212,679	107,137	283,759	19,682	1,147,295

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	**DEPR. AND AMORT. EXPENSE**								
2	DEPP PRODUCTION	P10	125,710	56,784	23,924	11,364	25,961	0	118,032
3	DEPT TRANSMISSION	P20L	53,367	24,493	10,466	4,876	11,779	52	51,666
4	DEPD DISTRIBUTION	P30L	87,379	47,116	16,980	6,119	6,864	10,275	87,354
5	DEPG GENERAL	P40L	33,149	16,224	6,496	2,823	5,628	1,299	32,471
6	DEPC COMMON	PCL	9,321	4,560	1,826	793	1,582	365	9,126
7	**TOTAL DEPR. & AMORT. EXPENSE**		308,926	149,177	59,691	25,975	51,814	11,991	298,648
8	**TAXES OTHER THAN INCOME**								
9	FEDERAL								
10	Federal Payroll Taxes	LABOR	14,338	7,265	2,762	1,160	2,437	452	14,076
11	TOTAL FEDERAL		14,338	7,265	2,762	1,160	2,437	452	14,076
12	STATE								
13	Special Utilities License	POO	7,049	3,448	1,380	601	1,199	277	6,904
14	Gross Earnings Tax	RSL	5,312	2,248	1,146	464	1,051	223	5,132
15	Generation Tax	TIP26	7,311	3,241	1,382	811	1,417	114	6,964
16	State Payroll Tax	LABOR	223	112	43	18	38	7	218
17	TOTAL STATE		19,895	9,050	3,951	1,894	3,704	621	19,219
18	LOCAL								
19	County Property Taxes	POO	195,094	95,443	38,190	16,637	33,177	7,659	191,106
20	Municipal Property Taxes	POO	8,793	4,301	1,721	750	1,495	345	8,613
21	TOTAL LOCAL		203,887	99,744	39,911	17,387	34,673	8,004	199,719
22	**TOTAL TAXES OTHER THAN INCOME TAXES**		238,120	116,059	46,624	20,442	40,813	9,077	233,015

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	DEVELOPMENT OF STATE INCOME TAX								
2	OPERATING INCOME BEFORE TAXES		387,478	184,394	99,261	32,536	52,632	19,590	388,413
3	ALLOWABLE DEDUCTIONS								
4	Capitalized and Use Tax	POO	488,494	238,963	95,618	41,656	83,067	19,176	478,479
5	Interest	RB	172,113	83,391	33,596	14,762	29,765	7,087	168,602
6	Depreciation (Over Book)	DEPREJ	80,958	39,128	15,883	7,096	14,719	2,232	79,059
7	Employee Benefits	LABOR	(3,240)	(1,634)	(621)	(261)	(548)	(102)	(3,165)
8	Unbilled Revenue	ENE1	17,600	6,864	3,050	1,777	5,664	245	17,600
9	TOTAL ALLOWABLE DEDUCTIONS		755,925	366,713	147,526	65,030	132,668	28,638	740,574
10	STATE TAXABLE INCOME		(368,447)	(182,319)	(48,265)	(32,494)	(80,036)	(9,047)	(352,161)
11	STATE INCOME TAX @ 5%		(18,422)	(9,116)	(2,413)	(1,625)	(4,002)	(452)	(17,608)
12	TOTAL ACCRUED FOR CURRENT YEAR		(18,422)	(9,116)	(2,413)	(1,625)	(4,002)	(452)	(17,608)
13	ADJUSTMENTS TO TAX								
14	State Tax Prior Year Adjustments	POO	45,667	22,340	8,939	3,894	7,766	1,793	44,731
15	**TOTAL STATE INCOME TAX**		27,245	13,224	6,526	2,269	3,764	1,340	27,123

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	DEVELOPMENT OF FEDERAL INCOME TAX								
2	OPERATING INCOME BEFORE TAXES		387,478	184,394	99,261	32,536	52,632	19,590	388,413
3	ALLOWABLE DEDUCTIONS								
4	Capitalized and Use Tax	POO	909,837	447,422	179,030	77,994	155,531	35,903	895,879
5	Interest	RB	172,113	83,391	33,596	14,762	29,765	7,087	168,602
6	Depreciation (Over Book)	DEPREJ	(5,105)	(2,467)	(1,002)	(447)	(928)	(141)	(4,985)
7	Employee Benefits	LABOR	(3,240)	(1,634)	(621)	(261)	(548)	(102)	(3,165)
8	Unbilled Revenue	ENE1	17,600	6,864	3,050	1,777	5,664	245	17,600
9	State Income Tax		(18,422)	(9,116)	(2,413)	(1,625)	(4,002)	(452)	(17,608)
10	TOTAL ALLOWABLE DEDUCTIONS		1,072,783	524,461	211,640	92,199	185,482	42,540	1,056,322
11	FEDERAL TAXABLE INCOME		(685,305)	(340,067)	(112,379)	(59,664)	(132,850)	(22,950)	(667,909)
12	FEDERAL INCOME TAX @ 21%		(143,914)	(71,414)	(23,600)	(12,529)	(27,899)	(4,819)	(140,261)
13	Federal Tax Prior Year Adjustments	POO	(2,559)	(1,252)	(501)	(218)	(435)	(100)	(2,507)
14	**TOTAL FEDERAL INCOME TAX**		(146,473)	(72,666)	(24,100)	(12,748)	(28,334)	(4,920)	(142,768)

Pro Forma

Dominion Energy South Carolina, Inc.
Electric Cost of Service Study
12 Months Ending 12/31/19

	Description	ALLOCATOR	TOTAL	RESID	SMALL	MEDIUM	LARGE	ST LTG	RETAIL
1	DEFERRED INCOME TAXES								
2	PRODUCTION	P10	109,312	51,097	21,517	10,198	23,184	0	105,995
3	TRANSMISSION AND DISTRIBUTION	TD	13,695	6,982	2,672	1,063	1,788	1,035	13,540
4	GENERAL AND COMMON	GC	19,901	9,740	3,900	1,695	3,379	780	19,493
5	OVER/UNDER RECOVERY	ENE1	(3,211)	(1,252)	(556)	(324)	(1,033)	(45)	(3,211)
6	LABOR AND BENEFITS	LABOR	12,418	6,262	2,381	1,000	2,100	389	12,132
7	REVENUE	RSL	3,252	1,376	702	284	643	137	3,142
8	TOTAL DEFERRED INCOME TAX (NET)		155,367	74,205	30,615	13,916	30,060	2,296	151,092
9	INVESTMENT TAX CREDIT								
10	PRODUCTION	P10	(767)	(359)	(151)	(72)	(163)	0	(744)
11	TRANSMISSION AND DISTRIBUTION	TD	(440)	(224)	(86)	(34)	(57)	(33)	(435)
12	GENERAL AND COMMON	GC	(47)	(23)	(9)	(4)	(8)	(2)	(46)
13	INVESTMENT TAX CREDIT (NET)		(1,254)	(606)	(246)	(110)	(228)	(35)	(1,225)
14	TOTAL INCOME TAXES		34,885	14,157	12,794	3,328	5,262	(1,318)	34,222
15	CUSTOMER GROWTH	XCG	1,151	969	261	(153)	126	(52)	1,151
16	**INTEREST ON CUSTOMER DEPOSITS**		(1,385)	(880)	(248)	(71)	(145)	(42)	(1,385)
17	**RETURN**		352,359	170,326	86,481	28,984	47,350	20,815	353,957

DOMINION ENERGY SOUTH CAROLINA, INC.
CLASS RATE OF RETURN RELATIONSHIPS
12 MONTHS ENDED DECEMBER 31, 2019

	Before Increase			After Increase	
	Rate of Return COL. 1	% Of Retail ROR COL. 2	% Increase COL. 3	Rate of Return COL. 4	% Of Retail ROR COL. 5
Residential	5.99%	97%	8.24%	8.19%	97%
Small General Service	7.59%	123%	8.31%	9.91%	117%
Medium General Service	5.74%	93%	8.78%	8.20%	97%
Large General Service	4.61%	75%	8.75%	7.61%	90%
Lighting	8.82%	143%	3.13%	9.40%	111%
Total Retail	6.16%	100%	8.27%	8.48%	100%

Note: Increase shown in Column 3 does not include the DSM reduction proposed in this Application